Wuzhou International Holdings Limited
五洲國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 01369)

ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2013

FINANCIAL HIGHLIGHTS

— The Group's contract sales for the period increased by 178.9% to RMB2,257 million from RMB809 million in the corresponding period in 2012.

— The Group's revenue for the period increased by 24.8% to RMB1,839 million from RMB1,474 million in the corresponding period in 2012.

— The Group's gross profit margin for the period maintained at a high level of 50.1%.

— The Group's net profit margin for the period increased to 26.3% from 25.3% in the corresponding period in 2012.

— The Group's profit attributable to the owners of the Company for the period increased by 29.8% to RMB485 million from RMB373 million in the corresponding period in 2012.

— The earnings per share for the period increased by 27.3% to RMB0.14 from RMB0.11 in the corresponding period in 2012.

The board (the "Board") of directors (the "Directors") of Wuzhou International Holdings Limited (the "Company") announces the unaudited financial results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2013 together with comparative figures for the corresponding period in 2012, as follows:

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

		For the six months ended 30 June	
	Notes	**2013**	2012
		RMB'000	*RMB'000*
		(Unaudited)	(Unaudited)
REVENUE	5	**1,839,151**	1,473,835
Cost of sales		**(917,138)**	(660,184)
GROSS PROFIT		**922,013**	813,651
Other income and gains	5	**13,913**	15,926
Selling and marketing expenses		**(122,924)**	(72,459)
Administrative expenses		**(195,707)**	(113,677)
Other expenses		**(4,084)**	(10,186)
Fair value gain upon transfer to investment properties		**65,542**	—
Change in fair value of investment properties		**352,781**	100,036
Finance costs	6	**(31,098)**	(10,227)
Share of profits and losses of associates		**(3,169)**	(3,482)
PROFIT BEFORE TAX	7	**997,267**	719,582
Income tax expense	8	**(408,897)**	(320,145)
PROFIT AFTER TAX AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**588,370**	399,437
Attributable to:			
Owners of the parent		**484,505**	373,142
Non-controlling interests		**103,865**	26,295
		588,370	399,437
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted	10	**0.14**	0.11

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	**30 June 2013** ***RMB'000*** **(Unaudited)**	31 December 2012 *RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**258,784**	257,098
Investment properties		**3,477,700**	2,572,100
Prepaid land lease payments		**169,312**	80,783
Intangible assets		**4,205**	4,487
Long-term deferred expense		**3,958**	3,019
Investments in associates		**38,615**	41,784
Available-for-sale investment		**10,000**	10,000
Deferred tax assets		**231,132**	224,426
Total non-current assets		**4,193,706**	3,193,697
CURRENT ASSETS			
Inventories		**950**	1,251
Properties under development		**4,025,833**	4,307,812
Completed properties held for sale		**1,205,892**	532,425
Trade and bills receivables	11	**30,459**	18,106
Due from related companies		**—**	94,710
Prepaid land lease payments		**716,159**	600,441
Prepayments, deposits and other receivables		**1,191,446**	696,453
Tax recoverable		**55,628**	79,668
Restricted cash		**213,837**	26,971
Pledged deposits		**162,750**	126,800
Cash and cash equivalents		**1,406,811**	755,451
Total current assets		**9,009,765**	7,240,088

	Notes	**30 June 2013** *RMB'000* **(Unaudited)**	31 December 2012 *RMB'000*
CURRENT LIABILITIES			
Trade and bills payables	12	**1,906,144**	1,932,687
Other payables, deposits received and accruals		**617,058**	677,394
Advances from customers		**3,011,529**	2,737,177
Due to related companies		**—**	213,980
Due to shareholders		**—**	18,136
Interest-bearing bank loans and other borrowings		**834,800**	772,480
Tax payable		**578,966**	465,811
Total current liabilities		**6,948,497**	6,817,665
NET CURRENT ASSETS		**2,061,268**	422,423
TOTAL ASSETS LESS CURRENT LIABILITIES		**6,254,974**	3,616,120
NON-CURRENT LIABILITIES			
Interest-bearing bank loans and other borrowings		**2,491,460**	1,627,080
Deferred tax liabilities		**431,979**	343,925
Total non-current liabilities		**2,923,439**	1,971,005
NET ASSETS		**3,331,535**	1,645,115
EQUITY			
Equity attributable to owners of the company			
Share capital		**287,142**	216,659
Reserves		**2,582,306**	1,103,034
		2,869,448	1,319,693
Non-controlling interests		**462,087**	325,422
TOTAL EQUITY		**3,331,535**	1,645,115

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The registered address of Wuzhou International Holdings Limited (the "Company") is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KYI-1111, Cayman Islands.

The Company is an investment holding company and its subsidiaries (together with the Company, referred to as "the Group") are principally engaged in property development business in the People's Republic of China (the "PRC"). The ultimate holding company of the Company is Boom Win Holdings Limited. The ultimate controlling party of the Group is Mr. Shu Cecheng and Mr. Shu Cewan ("The Shu Brothers", or "Controlling Shareholders").

The shares of the Company were listed on the main board of The Stock Exchange of Hong Kong Limited on 13 June 2013.

The principal activities of the Group are described in note 4 to the condensed consolidated interim financial statements.

2. BASIS OF PREPARATION

The interim condensed consolidated financial statements for the six months ended 30 June 2013 have been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting" issued by International Accounting Standards Board (the "IASB").

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's financial statements for year ended 31 December 2012.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2012, except for the adoption of new standards and interpretations effective as of 1 January 2013.

In the current interim period, the Group has applied, for the first time, the following new or revised International Financial Reporting Standards ("IFRSs", which also include IASs and interpretations) that are relevant to the Group operation for the preparation of the Group's condensed consolidated financial statements:

IFRS 10	*Consolidated Financial Statements;*
IFRS 11	*Joint Arrangements;*
IFRS 12	*Disclosure of Interests in Other Entities;*
Amendments to IFRS 10, IFRS 11 and IFRS 12	*Transition Guidance*
IFRS 13	*Fair Value Measurement;*
IAS 19 (as revised in 2011)	*Employee Benefits;*
IAS 27 (as revised in 2011)	*Separate Financial Statements;*
IAS 28 (as revised in 2011)	*Investments in Associates and Joint Ventures;*
Amendments to IFRS 7	*Disclosures — Offsetting financial assets and financial liabilities;*
Amendments to IFRS 1	*Government Loans;*
Amendments to IAS 1	*Presentation of Items of Other Comprehensive Income;*
IFRIC 20	*Stripping Costs in the Production Phase of a Surface Mine;*
Amendments to IFRSs	*Annual Improvements to IFRSs 2009-2011 Cycle*

The adoption of these new and revised IFRSs has had no significant financial effect on these interim condensed financial information and there have been no significant changes to the accounting policies applied in these interim condensed financial information.

The Group has not early adopted any other standard, interpretation or amendment that was issued but is not yet effective.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organized into business units based on their products and services and has three reportable operating segments as follows:

(a) the property development segment engages in the development and sale of properties.

(b) the property management and investment segment engages in providing commercial management services and property management services and invests in properties for their rental income potential and/or for capital appreciation.

(c) the other segment engages in lending to customers and department store operating.

Management monitors the results of its operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit or loss, which is a measure of adjusted profit or loss before tax from continuing operations.

No geographical information is presented as the Group's revenue from the external customers is derived solely from its operation in the Mainland China and no non-current assets of the Group are located outside the Mainland China.

No information about major customers is presented as no single customer individually contributed to over 10% of the Group's revenue for the six months ended 30 June 2012 and 2013.

Operating segments

The following tables present revenue, profit and certain expenditure information for the Group's business segments for the six months ended 30 June 2013 and 2012:

Six months ended 30 June 2013	**Property development (Unaudited)** *RMB'000*	**Property management and investment (Unaudited)** *RMB'000*	**Others (Unaudited)** *RMB'000*	**Adjustments and eliminations (Unaudited)** *RMB'000*	**Consolidated (Unaudited)** *RMB'000*
Segment revenue					
Sales to external customers	**1,758,475**	**69,028**	**31,318**	**(19,670)**	**1,839,151**
Segment results	**585,369**	**423,452**	**4,289**	**19,670**	**1,032,780**
Reconciliation:					
Finance costs					**(31,098)**
Share of profits and losses of associates					**(3,169)**
Share award expense					**(1,246)**
Profit before tax					**997,267**
Other segment information					
Depreciation and amortization	**(11,445)**	**(931)**	**—**	**—**	**(12,376)**
Fair value gain upon transfer to investment properties	**—**	**65,542**	**—**	**—**	**65,542**
Change in fair value of investment properties	**—**	**352,781**	**—**	**—**	**352,781**

Six months ended 30 June 2012	Property development (Unaudited) *RMB'000*	Property management and investment (Unaudited) *RMB'000*	Others (Unaudited) *RMB'000*	Adjustments and eliminations (Unaudited) *RMB'000*	Consolidated (Unaudited) *RMB'000*
Segment revenue					
Sales to external customers	1,409,739	66,103	9,279	(11,286)	1,473,835
Segment results	610,946	110,410	649	11,286	733,291
Reconciliation:					
Finance costs					(10,227)
Share of profits and losses of associates					(3,482)
Profit before tax					719,582
Other segment information					
Depreciation and amortization	(10,602)	(510)	—	—	(11,112)
Change in fair value of investment properties	—	100,036	—	—	100,036

5. REVENUE, OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover, represents income from the sale of properties, rental income, commercial management service income, property management service income and commissions from concessionaire sales for the six months ended 30 June 2013.

An analysis of revenue and other income and gains is as follows:

	For the six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue		
Sale of properties	**1,758,475**	1,409,739
Rental income	**22,309**	14,229
Commercial management service income	**44,100**	31,090
Property management income	**2,374**	7,348
Commissions from concessionaire sales	**4,995**	2,150
Others	**6,898**	9,279
	1,839,151	1,473,835
Other income and gains, net		
Subsidy income	**7,543**	7,581
Interest income	**4,458**	2,431
Dividends received	**—**	692
Others	**1,912**	5,222
	13,913	15,926

6. FINANCE COSTS

An analysis of finance costs is as follows:

	For the six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Interest on bank loans and other borrowings	**134,952**	60,767
Less: Interest capitalised	**(103,854)**	(50,540)
	31,098	10,227

7. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

	For the six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Cost of properties sold	**878,655**	632,014
Depreciation of item of property, plant and equipment	**11,909**	10,842
Amortisation of intangible assets	**467**	270
Amortisation of long-term deferred expenses	**781**	627
Impairment allowance on loans receivable	**—**	20
Provision for guarantees	**—**	208
Loss on disposal of a subsidiary	**—**	6,918
Loss on disposal of items of property, plant and equipment	**159**	7
Cost of property management service provided	**3,129**	8,686
Direct operating expenses arising from rental earning properties and commercial management service provided	**27,750**	13,813
Auditors' remuneration	**655**	185
Employee benefit expense (including directors' remuneration):		
Wages and salaries	**79,051**	45,372
Pension scheme and social welfare	**10,306**	5,141
Share award expense	**1,246**	—

8. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate. Pursuant to the rules and regulations of the Cayman Islands and British Virgin Islands, the Group's subsidiaries incorporated in the Cayman Islands and British Virgin Islands are not subject to any income tax. The Group's subsidiaries incorporated in Hong Kong are not liable for income tax as they did not have any assessable income currently arising in Hong Kong for the six months ended 30 June 2013.

Subsidiaries of the Group operating in Mainland China are subject to the PRC corporate income tax rate of 25%.

According to the requirements of the Provisional Regulations of the PRC on land appreciation tax ("LAT") effective from 1 January 1994, and the Detailed Implementation Rules on the Provisional Regulations of the PRC on LAT effective from 27 January 1995, all income from the sale or transfer of state-owned leasehold interest on land, buildings and their attached facilities in Mainland China is subject to LAT at progressive rates ranging from 30% to 60% of the appreciation value, with an exemption provided for property sales of ordinary residential properties if their appreciation values do not exceed 20% of the sum of the total deductible items.

In addition, Wuxi Wuzhou Ornament City, Wuxi Zhongnan, Wuxi Longan, and Dali Wuzhou were subject to LAT which is calculated based on 3% to 8.34% of their revenue in accordance with "Wuxi Tax Circular No. (2009) 46" and "No. 1 (2010) Announcement of Dali tax bureau".

The Group has estimated and made tax provision for LAT according to the requirements set forth in the relevant PRC tax laws and regulations. The actual LAT liabilities are subject to the determination by the tax authorities upon completion of the property development projects and the tax authorities might disagree with the basis on which the provision for LAT is calculated.

	For the six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current tax:		
PRC corporate income tax	**185,231**	148,457
LAT	**142,128**	142,416
Deferred tax	**81,538**	29,272
Total tax charge for the period	**408,897**	320,145

A reconciliation of income tax expense applicable to profit before tax at the statutory rates for the jurisdictions in which the Company and its subsidiaries are domiciled to the income tax expense at the effective income tax rate for the six months ended 30 June 2012 and 2013 is as follows:

	For the six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Profit before tax	**997,267**	719,582
At the statutory income tax rates	**249,317**	179,896
Expenses not deductible for tax	**5,828**	5,227
Tax loss not recognized	**12,080**	742
Tax at lower tax rates	**—**	(688)
Profits and losses attributable to associates	**792**	870
Withholding taxes on undistributed profits of the subsidiaries in the PRC	**34,133**	25,728
Adjustments to current tax of previous years	**151**	—
Non-taxable income	**—**	(173)
Disposal of a subsidiary	**—**	1,730
Provision for LAT	**142,128**	142,416
Tax effect on LAT	**(35,532)**	(35,603)
Tax charge for the period	**408,897**	320,145

9. DIVIDEND

At a meeting of the board of directors held on 20 August 2013, the directors resolved not to pay any interim dividend to shareholders (2012: Nil).

10. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of basic earnings per share amount for the period is based on the profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 3,547,365,085 (2012: 3,422,161,914) in issue during the period.

	For the six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Earnings		
Profit attributable to ordinary equity holders of the parent used in the basic earnings per share calculation	**484,505**	373,142

	For the six months ended 30 June	
	2013	2012
	(Unaudited)	(Unaudited)
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	**3,547,365,085**	3,422,161,914

No adjustment has been made to the basic earnings per share amounts presented for the six months ended 30 June 2013 and 2012 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during the periods.

11. TRADE AND BILLS RECEIVABLES

Trade and bills receivables represent rentals receivable from tenants, sales income and service income receivables from customers which are payable on presentation of invoices or in accordance with the terms of the related sales and purchase agreements. The credit period is generally three months. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by management. In view of the aforementioned and the fact that the Group's trade and bills receivables relate to a large number of diversified customers, there is no significant concentration of credit risk.

Trade and bills receivables are unsecured and non-interest-bearing. The carrying amounts of trade receivables and bills receivable approximate to their fair values.

An aged analysis of the trade and bills receivables as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2013	31 December 2012
	RMB'000	*RMB'000*
	(Unaudited)	
Trade and bills receivables:		
Less than 3 months	**19,019**	13,766
4 to 6 months	**11,360**	4,272
7 to 12 months	**80**	68
	30,459	18,106

12. TRADE AND BILLS PAYABLES

An aged analysis of the trade and bills payables based on the invoice date, is as follows:

	30 June 2013	31 December 2012
	RMB'000	*RMB'000*
	(Unaudited)	
Less than 1 year	**1,728,889**	1,666,854
Over 1 year	**177,255**	265,833
	1,906,144	1,932,687

MANAGEMENT DISCUSSION AND ANALYSIS

Market Review

In the first half of 2013, although the United States restored its economic growth, the global economy was far from optimistic with countries in Europe and emerging markets mired in the financial crisis. China recorded only a 10.4% increase in exports for the first half of the year. In order to propel fixed-asset investment and domestic demand and achieve steady economic development, the government introduced a series of measures and policies aiming to maintain steady growth, achieve structural change and promote reformation. Nevertheless, during the period under review, the central government continued to implement various austerity policies, including restrictions on home purchase, loans and prices, to strictly control housing prices. Commercial properties were subject to far less government restrictions than residential properties. In addition, with low land costs, strong customer purchasing power and great market demands, commercial properties in cities, especially second and third-tier cities, in the Yangtze River Delta have higher development potential and stronger growth momentum as compared with other regions in China.

Currently, wholesale markets, including the integrated markets of various products and the specialized markets of specific products, are one of the most effective channels of commodity transaction in China, especially for small cities and towns, and play an important role in economic development. According to Savills, since 2008, the sales of wholesale markets have increased at a CAGR of approximately 60% to RMB8.2 trillion in 2011, reflecting huge demands and development potential of the wholesale markets.

In addition, rising urban population was resulted from the emphasis on urbanization under the Twelfth Five-year Plan of China. Benefiting from the economic growth, disposable income of residents further increased, which boosted consumption and demand for products and services. As a result, there were higher market demands for multi-functional commercial complexes, which integrate retail, office, residential, hotel, entertainment and other functions.

Business Review

During the period under review, the Group capitalized on business opportunities and recorded a steady growth in corporate development and results. Based on its unique market positioning and development strategies, the specialized wholesale markets and multi-functional commercial complexes of the Group have been recognized by local markets and the business mode was replicated for market expansion in rapidly-developing provinces and cities, such as Heilongjiang. To fully take advantage of the future rapid growth of the PRC commercial property industry, the Group successfully listed its shares on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 13 June 2013 (the "Listing Date").

I. Contract sales

During the period under review, the Group recorded contract sales and contract sales area of approximately RMB2,257 million and approximately 279,000 sq.m., representing increases of 179% and 158% as compared with the same period of the previous year, respectively. Approximately RMB943 million and 175,000 sq.m. were from the sales of the specialized wholesale markets, representing increases of 166% and 191% as compared with the same period of the previous year, respectively. Approximately RMB1,314 million and 104,000 sq.m. were from the sales of multi-functional commercial complexes, representing increases of 189% and 118% as compared with the same period of the previous year, respectively.

Contract sales of the Group, by geographical location, were mainly from Jiangsu Province. The contract sales and contract sales area were approximately RMB1,233 million and approximately 141,000 sq.m., accounting for 55% and 51% of the total contract sales amount and the total contract sales area, respectively. Attributable to the market expansion strategy of the Group in other rapidly-developing cities, the contract sales from other provinces and cities increased significantly, resulting in a more balanced income source in terms of geographical locations.

Regions	**Contract sales amount**		**Contract sales area**	
	RMB million	*Percentage (%)*	*Sq.m.*	*Percentage (%)*
Jiangsu Province	1,233	54.6	141,453	50.7
Yunnan Province	94	4.2	15,424	5.5
Chongqing Municipality	62	2.7	14,883	5.3
Zhejiang Province	293	13.0	4,718	1.7
Shandong Province	200	8.9	29,847	10.7
Hubei Province	375	16.6	73,035	26.1
Total	2,257	100.0	279,360	100.0

II. Project development

As at 30 June 2013, the Group had 27 development projects in Jiangsu, Zhejiang, Shandong, Hubei, Yunnan, Heilongjiang and Chongqing, including 13 specialized wholesale markets and 14 multi-functional commercial complexes.

Completed projects

During the period under review, the Group completed a total of 10 projects or project phases with a total gross floor area ("GFA") of approximately 1,484,000 sq.m., including approximately 859,000 sq.m. of GFA sold and delivered and approximately 155,000 sq.m. of GFA held for lease.

List of completed projects:

Project name	City	Category	Interests of the Company	Total GFA ('000 sq.m.)	Total saleable GFA ('000 sq.m.)	GFA sold ('000 sq.m.)	GFA held for sale ('000 sq.m.)	GFA held for lease ('000 sq.m.)
Jiangsu Province								
1 Wuxi Wuzhou International Ornamental City	Wuxi	Specialized wholesale market	100%	288	259	220	2	37
2 Wuxi Wuzhou International Industrial Exhibition City	Wuxi	Specialized wholesale market	100%	358	326	287	12	27
3 Wuxi Wuzhou International Columbus Plaza	Wuxi	Multi-functional commercial complex	64.3%	212	169	104	22	43
4 Wuxi Wuzhou International Chinese Food Culture Exposition City	Wuxi	Multi-functional commercial complex	51%	50	44	31	3	10
5 Meicun Wuzhou International Plaza	Wuxi	Multi-functional commercial complex	90%	54	40	15	2	23
6 Yangjian Wuzhou International Plaza	Wuxi	Multi-functional commercial complex	100%	34	20	13	7	—
7 Wuxi New District Columbus Plaza	Wuxi	Multi-functional commercial complex	59%	91	71	16	40	15
8 Jianhu Wuzhou International Trade City	Jianhu	Specialized wholesale market	100%	107	105	45	60	—
			Subtotal	1,194	1,034	731	148	155
Yunnan Province								
9 Dali Wuzhou International Trade City	Dali	Specialized wholesale market	100%	120	119	93	26	—
			Subtotal	120	119	93	26	—
Chongqing Municipality								
10 Rongchang Wuzhou Hardware Ornamental City	Chongqing	Specialized wholesale market	94%	170	170	89	81	—
			Subtotal	170	170	89	81	—
			Total	1,484	1,323	913	255	155

Projects under development

As at 30 June 2013, the Group had a total of 17 projects or project phases under development with a total planned GFA of 2,052,000 sq.m., including approximately 419,000 sq.m. of GFA sold and approximately 276,000 sq.m. of GFA held for lease.

List of projects under development:

	Project name	City	Category	Interests of the Company	Estimated construction completion date	Total GFA ('000 sq.m.)	Total saleable GFA ('000 sq.m.)	GFA pre-sold ('000 sq.m.)	GFA held for sale ('000 sq.m.)	GFA held for lease ('000 sq.m.)
Jiangsu Province										
1	Wuxi Wuzhou International Ornamental City Phase IV	Wuxi	Specialized wholesale market	100%	2013	104	81	7	49	25
2	Wuxi Wuzhou International Industrial Exhibition City Phase II Hall C	Wuxi	Specialized wholesale market	100%	2014	81	69	20	28	21
3	Wuxi Wuzhou International Chinese Food Culture Exposition City Phase III	Wuxi	Multi-functional commercial complex	51%	2013	142	115	14	86	15
4	Yangjian Wuzhou International Plaza	Wuxi	Multi-functional commercial complex	100%	2013	108	87	48	29	10
5	Nantong Wuzhou International Plaza	Nantong	Multi-functional commercial complex	51%	2014	365	287	46	235	6
6	Yancheng Wuzhou International Plaza	Yancheng	Multi-functional commercial complex	100%	2013	86	67	25	14	28
7	Huaian Wuzhou International Plaza	Huaian	Multi-functional commercial complex	100%	2013	147	123	28	64	31
8	Luoshe Wuzhou Columbus Plaza	Wuxi	Multi-functional commercial complex	100%	2013	51	38	6	19	13
9	Jiangyin Wuzhou International Plaza	Jiangyin	Multi-functional commercial complex	90%	2014	263	217	30	153	34
10	Sheyang Wuzhou International Plaza	Sheyang	Multi-functional commercial complex	100%	2014	70	62	—	62	—
					Subtotal	1,417	1,146	224	739	183
Yunnan Province										
11	Dali Wuzhou International Trade City	Dali	Specialized wholesale market	100%	2013	122	122	14	46	62
					Subtotal	122	122	14	46	62
Chongqing Municipality										
12	Rongchang Wuzhou Hardware Ornamental City	Chongqing	Specialized wholesale market	94%	2014	103	103	—	103	—
					Subtotal	103	103	—	103	—
Zhejiang Province										
13	Hangzhou Wuzhou International Plaza	Hangzhou	Multi-functional commercial complex	100%	2013	77	60	4	38	18
					Subtotal	77	60	4	38	18

Project name	City	Category	Interests of the Company	Estimated construction completion date	Total GFA	Total saleable GFA	GFA pre-sold	GFA held for sale	GFA held for lease
					('000 sq.m.)	*('000 sq.m.)*	*('000 sq.m.)*	*('000 sq.m.)*	*('000 sq.m.)*
Shandong Province									
14 China Longkou Wuzhou International Trade City	Longkou	Specialized wholesale market	95%	2013	22	22	15	7	—
15 Yantai Wuzhou International Industrial Exhibition City (Fushan)	Yantai	Specialized wholesale market	95%	2013	56	56	34	22	—
16 Leling Wuzhou International Ornamental City	Leling	Specialized wholesale market	51%	2013	38	37	2	35	—
				Subtotal	116	115	51	64	—
Hubei Province									
17 Xiangyang Wuzhou International Industrial Exhibition City	Xiangyang	Specialized wholesale market	100%	2013	217	215	126	89	—
				Subtotal	217	215	126	89	—
				Total	2,052	1,761	419	1,079	263

Projects planned for development

As at 30 June 2013, the Group had a total of 17 projects or project phases planned for development, with a total planned GFA of approximately 4,367,000 sq.m.

List of projects planned for future development:

Project name	City	Category	Interests of the Company	Total GFA
				('000 sq.m.)
Jiangsu Province				
1 Wuxi Wuzhou International Ornamental City Phase V Hall F	Wuxi	Specialized wholesale market	100%	21
2 Wuxi Wuzhou International Industrial Exhibition City Product Exhibition Hall BD Multi-use Building	Wuxi	Specialized wholesale market	100%	240
3 Yancheng Wuzhou International Plaza Phase II Building No. 4	Yancheng	Multi-functional commercial complex	100%	24
4 Huaian Wuzhou International Plaza Phase II	Huaian	Multi-functional commercial complex	100%	91
5 Jianhu Wuzhou International Trade City Phase II	Jianhu	Specialized wholesale market	100%	114

Project name		City	Category	Interests of the Company	Total GFA
					('000 sq.m.)
6	Jianhu China Green Light Exposition City	Jianhu	Specialized wholesale market	100%	94
7	Sheyang Wuzhou International Plaza	Sheyang	Multi-functional commercial complex	100%	350
8	Qianzhou Wuzhou International Plaza	Wuxi	Multi-functional commercial complex	80%	128
9	Wuzhou International Automobile Exhibition City	Nantong	Specialized wholesale market	75%	430
				Subtotal	1,492
Yunnan Province					
10	Dali Wuzhou International Trade City Phase III	Dali	Specialized wholesale market	100%	942
11	Baoshan Wuzhou International Plaza	Baoshan	Multi-functional commercial complex	80%	209
				Subtotal	1,151
Chongqing Municipality					
12	Rongchang Wuzhou Hardware Ornamental City Phase II	Chongqing	Specialized wholesale market	94%	197
				Subtotal	197

Project name	City	Category	Interests of the Company	Total GFA
				('000 sq.m.)
Shandong Province				
13 China Longkou Wuzhou International Trade City	Longkou	Specialized wholesale market	95%	284
14 Leling Wuzhou International Ornamental City	Leling	Specialized wholesale market	51%	414
			Subtotal	698
Hubei Province				
15 Xiangyang Wuzhou International Industrial Exhibition City Phase II	Xiangyang	Specialized wholesale market	100%	350
			Subtotal	350
Zhejiang Province				
16 Ruian Project	Ruian	Specialized wholesale market	100%	235
			Subtotal	235
Heilongjiang Province				
17 Mudanjiang Project	Mudanjiang	Specialized wholesale market	100%	244
			Subtotal	244
			Total	4,367

Projects with MOUs signed

As at 30 June 2013, the Group had a total of 5 projects or project phases with MOUs signed, which showed the site area in the agreements, with a total planned GFA of approximately 1,347,000 sq.m.

List of projects with MOUs signed:

	Project name	City	Total GFA *('000 sq.m.)*
1	China Longkou Wuzhou International Trade City	Longkou	496
2	Project Shenyang	Shenyang	224
3	Project Luoyang	Luoyang	400
4	Project Xinghua Dainan International	Xinghua	67
5	Rongchang Wuzhou Hardware Ornamental City	Chongqing	160
		Total:	1,347

III. Land bank

The Group considers that acquiring ample land bank at reasonable costs is crucial to the long-term development and profitability of Wuzhou International. It carried out in-depth studies on local urban planning and acquired lands of substantial development potential in order to build new commercial areas and design projects in line with market demand. During the period under review, the Group strived to consolidate its existing land bank and actively expand and develop into other areas, including Heilongjiang, for more extensive land bank across China.

As of 30 June 2013, the total planned GFA of land bank amounted to approximately 7,044,000 sq.m., including approximately 625,000 sq.m. for completed projects, approximately 2,052,000 sq.m. for projects under development and approximately 4,367,000 sq.m. for projects planned for future development. The land bank is sufficient for the development of the Group in the future three to five years. The average GFA costs per square meter amounted to approximately 10% of the average selling price. With lower land costs, the Group can ensure sustainable future development and higher profitability.

As of 30 June 2013, the breakdown of land bank by regions is as follows:

Region	**Completed projects** *('000 sq. m.)*	**Projects under development** *('000 sq. m.)*	**Projects planned for future development** *('000 sq. m.)*	**Total planned GFA of land bank** *('000 sq. m.)*
Jiangsu Province	479	1,417	1,492	3,388
Yunnan Province	41	122	1,151	1,314
Chongqing Municipality	105	103	197	405
Shandong Province	—	116	698	814
Hubei Province	—	217	350	567
Zhejiang Province	—	77	235	312
Heilongjiang Province	—	—	244	244
Total	625	2,052	4,367	7,044

IV. Centralized operation, management and marketing

Most of the purchasers of its retail stores entered into exclusive operation and management agreements with the Group, under which the Group received management service income from the purchasers for managing and controlling the leases of the retail shops, event organization and ancillary service provision. The Group also provided the purchasers with services such as project positioning, planning, design, construction, marketing, leasing and operation so as to ensure the centralized operation of projects. In addition, the Group also provided general property management services for tenants and occupants.

The Group develops and operates the specialized wholesale markets and multi-functional commercial complexes under the brands of “Wuzhou International” and “Columbus”. In order to unify the brand image of its specialized wholesale markets and multi-functional commercial complexes, its professional planning and marketing team is responsible for formulating the nation-wide promotion strategies and coordinating marketing activities. During the period under review, both the brand effect and visitor flow of its specialized wholesale markets and multi-functional commercial complexes recorded significant growth attributable to various marketing and promotion activities and sponsorship for a number of activities. Moreover, asset management, construction, design and operation capability of the Group were highly recognized in the industry. As a result, the brands “Wuzhou International” and “Columbus” were well-received in the places where the Group operates.

V. Outlook

Urbanization, which is positioned as the top priority of the Twelfth Five-year Plan of China, together with other favorable national policies to enlarge domestic demands, will provide stable support for the commercial property investment and the consumer retail market. In the future, the Group will ensure the prudent development of each new project based on the policy adjustments of the central government and further enhance its operation and management with an aim to achieve satisfactory results and create better returns for the shareholders.

In June, the State Council promulgated the shanty town transformation plan, pursuant to which 10 million households will be renovated within five years and the target of this year is 3.04 million renovated households. Apart from speeding up urbanization, the plan will also boost investment and housing supply for taming property market demand and stimulating consumption power, which will be beneficial to the development of multi-functional commercial complex business of the Group. In addition, the State Council also announced that the MSEs would be temporarily exempted from VAT and business tax starting from August 1, 2013, which will create a more favorable environment for the development of MSEs with more job opportunities. The exemption will also facilitate the future development of the specialized wholesale market projects of the Group as SMEs in China are the target customers.

The unique business model of the Group plays a vital role for its successful development. Looking forward, the Group will strive to apply its successful business models for its business expansion in other rapidly-developing cities in China. The Group is committed to creating new specialized wholesale markets and developing industrial cities such as Yantai and Shenyang as the core cities of the respective regions. In the long run, its business will continue to be expanded to the mid-west and northeast region as well as the Bohai Rim in China, especially in second-tier provincial capitals including Nanjing, Xi'an and Zhengzhou. The Group will expand its multi-functional commercial complexes to first-tier cities such as Beijing, Shanghai, Guangzhou and Shenzhen in the future. It will also make efforts to establish new projects in Hangzhou, Nantong, Yancheng and Xuyi where both economic development and population are on rapid growth track.

The Group will further focus on optimizing project management strategies to enhance the synergies among property buyers, occupants and the Group. It will also be committed to improving the experience of visitors of the specialized wholesale markets and multi-functional commercial complex projects. In the future, the Group may also consider providing occupants with value-added ancillary services so as to increase the popularity of the projects and maximize rental yield. Furthermore, the Group will strive to enhance its brand awareness in the market with effective project planning and better project quality to create a better service platform for its business partners. In addition, the Group will also grasp opportunities arising from the development of e-commerce channels. Efforts will be made to formulate innovative business and cooperation models through differentiated positioning and business planning with a view to seizing new business opportunities arising from the urbanization of China.

Financial Review

Corporate Reorganization

The Company was incorporated in the Cayman Islands on 22 June 2010 as an exempted company with limited liability under the Companies Law of the Cayman Islands. The companies comprising our Group underwent a reorganization (the "Reorganization") to rationalize our Group's structure in preparation for the listing of the Company's shares on the Stock Exchange. As a result, the Company became the holding company of the Group. Details of the Reorganization are set out in the section headed "History and Reorganization" to the prospectus of the Company issued on 31 May 2013 (the "Prospectus").

Revenue

Our revenue comprises mainly income from the sale of properties, rental income, commercial management service income, property management service income and commissions from concessionaire sales after deduction of allowances for returns and trade discounts.

For the six months ended 30 June 2013, turnover of the Group amounted to approximately RMB1,839 million, representing an increase of 24.8% from approximately RMB1,474 million for the corresponding period in 2012. Profit and total comprehensive income for the period attributable to the equity holders of the Company was approximately RMB485 million, representing an increase of 29.8% from approximately RMB373 million for the corresponding period in 2012.

Sale of Properties

Revenue from the sale of properties is recognized (i) when the significant risks and rewards of ownership of the properties are transferred to the purchasers; (ii) neither continuing managerial involvement to the degree usually associated with ownership, nor effective control over the properties, are retained; (iii) the amount of revenue can be measured reliably; (iv) it is probable that the economic benefits associated with the transaction will flow to the Group; and (v) the cost incurred or to be incurred in relation to the transaction can be measured reliably. We consider that the significant risks and rewards of ownership are transferred when the construction of relevant properties has been completed and the properties have been delivered to the purchasers.

Revenue from property development represents proceeds from sales of our properties held for sales. Revenue derived from property development increased by 24.7% to approximately RMB1,758 million for the six months ended 30 June 2013 from approximately RMB1,410 million for the corresponding period in 2012. This increase was due primarily to an increase in total GFA and an increase in the average selling price of properties sold to our customers.

Rental Income

Rental income generated from rental of investment properties increased by 56.8% to approximately RMB22 million for the six months ended 30 June 2013 from approximately RMB14 million for the corresponding period in 2012. The increase was due primarily to the continuing growth of the investment properties.

Commercial Management Service Income and Property Management Income

We generate commercial management service income from most purchasers of the retail units at our projects pursuant to our exclusive operation and management agreements. Under these agreements, which we enter into with the purchasers at the pre-sale stage, we typically receive commercial management service income equivalent to the entire rental value of the underlying properties for the initial periods ranging from three to five years, which typically commence upon the opening for operation of the building where the property is located, and then 8% to 10% of the rental value for the remaining years. In practice, we collect rents directly from the tenants of the underlying properties, retain our commercial management service fees and remit the remainder, if any, to the purchasers. To attract tenants, we may offer selected tenants rent-free periods ranging from two to six months. We typically secure tenants for the vast majority of the purchasers prior to the commencement of the initial period. Since we charge commercial management service fees based on the rental value of the underlying properties, we will not be able to receive any commercial management service fees in the event we are unable to lease out the underlying properties.

Commercial management service income increased by 41.8% to approximately RMB44 million for the six months ended 30 June 2013 from approximately RMB31 million for the corresponding period in 2012 while property management income decreased by 67.7% to approximately RMB2 million for the six months ended 30 June 2013 from approximately RMB7 million for the corresponding period in 2012. The increase for commercial management service income was due primarily to an increase in the GFA of the properties operated and managed by us, as a result of an increase in sales of our properties, while the decrease in property management income was because the Group was gradually transferring its property management business to other third parties in order to concentrate in the commercial management service.

Commissions from concessionaire sales

Revenue derived from the commissions from concessionaire sales increased by 132.3% to approximately RMB5 million for the six months ended 30 June 2013 from approximately RMB2 million for the corresponding period in 2012, which was resulted from our mature operation.

Gross Profit and Margin

Gross profit increased by 13.3% to approximately RMB922 million for the six months ended 30 June 2013 from approximately RMB814 million for the corresponding period in 2012, while our gross profit margin decreased to 50.1% for the six months ended 30 June 2013 from 55.2% for the corresponding period in 2012. This increase in gross profit was in line with the increase in the total revenue for the six months ended 30 June 2013 while the decrease in our gross margin was resulted from the change in product mix, but it remained in a high level.

Other Income and Gain

Other income and gains decreased by 12.6% to approximately RMB14 million for the six months ended 30 June 2013 from approximately RMB16 million for the corresponding period in 2012. Other income and gains mainly represented by subsidy income and interest income and certain non-recurring income and gains.

Selling and Distribution Expenses

Our selling and distribution expenses increased by 69.6% to approximately RMB123 million for the six months ended 30 June 2013 from approximately RMB72 million for the corresponding period in 2012. This increase was due primarily to an increase in general selling, marketing and advertising activities resulting from an increase in the number of properties that were pre-sold in the first half of 2013 as compared to that in the same period of 2012.

Administrative Expenses

Our administrative expenses increased by 72.2% to approximately RMB196 million for the six months ended 30 June 2013 from approximately RMB114 million for the corresponding period in 2012. This increase was due primarily to the increase in number of offices and staff cost in new locations due to our expansion and certain expenses incurred resulting from our initial public offering.

Finance Costs

Our finance costs increased by 204.1% to approximately RMB31 million for the six months ended 30 June 2013 from approximately RMB10 million for the corresponding period in 2012. This increase was due primarily to an increase in bank loans to finance the business operation and development, which in turn increased the interest expenses.

Income Tax Expenses

Our income tax expenses increased by 27.7% to approximately RMB409 million for the six months ended 30 June 2013 from approximately RMB320 million for the corresponding period in 2012. This increase was due primarily to an increase in enterprises income tax and land appreciation tax as a result of increase in properties sold and recognized in the first half of 2013 as compared to that in the same period of 2012.

Profit and Total Comprehensive Income Attributable to Owners of the Company

Profit and total comprehensive income attributable to owners of the Company increased by 29.8% to approximately RMB485 million for the six months ended 30 June 2013 from approximately RMB373 million for the corresponding period in 2012. This increase was due primarily to an increase in properties recognised and in the revaluation gain on the appreciation of our investment properties in the first half of 2013 as compared to that in the same period of 2012. Our net profit margin maintained at a satisfactory level of 26.3% in the first half of 2013 as compared to 25.3% in the same period of 2012.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

Cash Position

As at 30 June 2013, the Group's bank balances and cash (including restricted cash and pledged deposits) was approximately RMB1,783 million (31 December 2012: approximately RMB909 million), representing an increase of 96.1% as compared to that as at 31 December 2012. A portion of our cash are restricted bank deposits that are restricted for use of property development. These restricted bank deposits will be released upon completion of the development of the relevant properties in which such deposits relate to. As at 30 June 2013, the Group's restricted cash was approximately RMB214 million (31 December 2012: approximately RMB27 million), representing an increase of 692.8% as compared to that as at 31 December 2012.

Current Ratio and Gearing Ratio

As at 30 June 2013, the Group has current ratio (being current assets over current liabilities) of approximately 1.30 compared to that of 1.06 as at 31 December 2012. The gearing ratio was 53.8% as at 30 June 2013 compared to that of 112.9% as at 31 December 2012. The gearing ratio was measured by net debt (aggregated bank loans and other borrowings net of cash and cash equivalents, pledged deposits and restricted cash) over the equity attributable to owners of the Company. The total debt (being aggregated bank loans and other borrowings) over total assets ratio continued to be healthy, maintaining at 25.2% (31 December 2012: 23.0%) as of 30 June 2013.

Borrowings and Charges on the Group's Assets

As at 30 June 2013, the Group had an aggregate interest-bearing bank and other borrowings of approximately RMB3,326 million. Amongst the bank and other borrowings, approximately RMB835 million will be repayable within 1 year, approximately RMB2,286 million will be repayable between 2 to 5 years and approximately RMB205 million will be repayable after 5 years.

As at 30 June 2013, a substantial part of the bank loans and other borrowings were secured by land use rights and properties of the Group.

Exchange Rate Risk

The Group mainly operates in the PRC. Other than the foreign currency denominated bank deposits and bank borrowings, the Group does not have any other material direct exposure to foreign exchange fluctuations. Appreciation in RMB would have a positive effect on the value on paying interest and repayment of foreign currency bank borrowings. During the six months ended 30 June 2013, though the exchange rates of RMB against U.S. dollar and the Hong Kong dollar kept on increasing, the Directors expect that any fluctuation of RMB's exchange rate will not have material adverse effect on the operation of the Group.

Commitments

As at 30 June 2013, the Group had committed payment for the acquisitions of land use rights and properties under development amounting to approximately RMB150 million (31 December 2012: RMB134 million) and approximately RMB1,814 million (31 December 2012: RMB1,630 million), respectively.

Contingent Liabilities

As at 30 June 2013, the Group had provided guarantees amounting to approximately RMB564 million (31 December 2012: approximately RMB519 million) in respect of mortgage facilities granted by certain banks in connection with the mortgage loans entered into by purchasers of the Group's properties. Pursuant to the terms of the guarantees, if there is default of the mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage loans together with accrued interests thereon and any penalty owed by the defaulted purchasers to banks. The Group is then entitled to take over the legal title of the related properties. The guarantee period commences from the dates of grant of the relevant mortgages loans and ends after the purchaser obtained the individual property ownership certificate. In the opinion of the Directors, no provision for the guarantee contracts was recognized in the financial statement for the six months ended 30 June 2013 as the default risk is low. The Group had also provided guarantees amounting to approximately RMB35 million and RMB56 million to banks in connection with facilities granted to third parties and a related company, respectively, as at 31 December 2012. There was no such guarantees as at 30 June 2013.

Employees and Remuneration Policies

As at 30 June 2013, the Group had approximately 2,629 employees, of which 1,417 employees involved in the property development sector and 1,212 in the property operation services sector. Total staff costs, including directors' emoluments, for the six months ended 30 June 2013 amounted to approximately RMB91 million (six months ended 30 June 2012: approximately RMB51 million). Remuneration is determined by reference to their performance, skills, qualifications and experiences of the staff concerned and according to the prevailing industry practice. Besides salary payments, other staff benefits include contribution of the mandatory provident fund (for Hong Kong employees) and state-managed retirement pension scheme (for PRC employees), a discretionary bonus program and a share option scheme.

As at 30 June 2013, no options had been granted, exercised or cancelled under the share option scheme adopted on 27 May 2013. Please refer to the paragraph headed "Share Option Scheme" in this announcement for further details.

Use of Net Proceeds from the Company's Initial Public Offering

The Company was listed on the Stock Exchange on 13 June 2013 (the "Listing Date"). The net proceeds from the Company's issue of new shares (after deducting the underwriting commission and estimated expenses payable by the Group in relation to the listing of the Company after the exercise of the over-allotment option) amounted to approximately HK$1,460 million including the partial exercise of over-allotment option in 5 July 2013, which are intended to be applied in compliance with the intended use of proceeds set out in the section headed "Future plans and use of proceeds" contained in the Prospectus.

INTERIM DIVIDEND

The Directors had resolved that no interim dividend be paid for the six months ended 30 June 2013 (six months ended 30 June 2012: nil).

CORPORATE GOVERNANCE AND OTHER INFORMATION

The Company is committed to maintain high standards of corporate governance with a view to assuring the conduct of management of the Company as well as protecting the interests of all shareholders. The Company has always recognized the importance of the shareholders' transparency and accountability. It is the belief of the Board that shareholders can maximize their benefits from good corporate governance.

The Board comprises five executive Directors and three independent non-executive Directors. The Board is responsible for the leadership and control of the Company and oversees the Group's businesses, strategic decisions and performances, and has full and timely access to all relevant information in relation to the Group's businesses and affairs, but the day-to-day management is delegated to the management of the Company. The independent non-executive Directors possess respectively professional qualifications and related management experience in the areas of financial accounting, law and global economy and have contributed to the Board with their professional opinions.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions set out in the Code on Corporate Governance Practices ("Code on Corporate Governance") contained in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as the code of conduct regarding directors' securities transactions. The Company has made specific enquiry of all Directors whether the Directors have complied with the required standard set out in the Model Code regarding directors' securities transactions during the period from the Listing Date to 30 June 2013 and all Directors confirmed that they have complied with the Model Code.

AUDIT COMMITTEE

The Company has established an audit committee in compliance with the Listing Rules to fulfill the functions of reviewing and monitoring the financial reporting and internal control of the Company. The audit committee of the Company currently comprises three independent non-executive Directors, including Mr. Lo Kwong Shun Wilson, Dr. Song Ming and Prof. Shu Guoying, while Mr. Lo Kwong Shun Wilson is the chairman of the audit committee. The audit committee is to review important accounting policies, supervise the Company's financial reporting processes, monitor the performance of the external auditor and the internal audit department, review and evaluate the effectiveness of the Company's financial reporting procedures and internal control and ensure the compliance with applicable statutory accounting and reporting requirements, legal and regulatory requirements, internal rules and procedures approved by the Board.

The audit committee together with the management of the Company has reviewed the accounting policies and practices adopted by the Group and discussed, among other things, internal controls and financial reporting matters including a review of the unaudited interim results for the six months ended 30 June 2013.

In addition, the independent auditors of the Company, Ernst & Young, have reviewed the unaudited interim results for the six months ended 30 June 2013 in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

REMUNERATION COMMITTEE

The Company has established a remuneration committee in compliance with the Listing Rules. The remuneration committee currently comprises an executive Director, Mr. Shu Cewan, and two independent non-executive Directors, Dr. Song Ming and Prof. Shu Guoying, while Dr. Song Ming is the chairman of the committee. The remuneration committee is responsible for advising the Board on the remuneration policy and framework of the Company's Directors and senior management member(s), as well as reviewing and determining the remuneration of all executive Directors and senior management member(s) with reference to the Company's objectives from time to time.

NOMINATION COMMITTEE

The Company has established a nomination committee in compliance with the Listing Rules. The nomination committee currently comprises an executive Director, Mr. Shu Cecheng, and two independent non-executive Directors, Mr. Lo Kwong Shun Wilson and Dr. Song Ming while Mr. Shu Cecheng is the chairman of the committee. The nomination committee is primarily responsible for considering and nominating suitable candidates to become members of the Board. Criteria adopted by the committee in considering the suitability of a candidate for directorship includes his/her qualifications, experience, expertise and knowledge as well as the requirements under the Listing Rules.

SHARE OPTION SCHEME

The Company adopted a share option scheme (the "Scheme") which became effective on 27 May 2013 for the purpose of rewarding eligible participants who have contributed to the Group and to encourage eligible participants to work towards enhancing the value of the Company. Eligible participants of the Scheme include (i) any employee (whether full time or part time) of the Company, its subsidiaries or any entity in which the Group holds any equity interest (the "Invested Entity"), including any executive Director of the Company, its subsidiaries or Invested Entity; (ii) any non-executive Director (including independent non-executive Director) of the Company, its subsidiaries or any Invested Entity; or (iii) any senior management of our Company, its subsidiaries or Invested Entity, who the Board considers, in its sole discretion, have contributed or will contribute to the Group. Subject to earlier termination by the Company in general meeting or by the Board, the Scheme shall be valid and effective for a period of 6 years from the date of its adoption.

The total number of Shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% in nominal amount of the aggregate of Shares in issue, unless with the prior approval from the Company's shareholders. The maximum number of Shares in respect of which options may be granted under the Scheme to each eligible participant in any 12-month period is not permitted to exceed 1% in nominal amount of the aggregate of Shares in issue, unless with the prior approval from the Company's shareholders and with such participants and his associates abstaining from voting. Options granted to a connected person of the Company, or any of their respective associates, shall be subject to the prior approval of the independent non-executive Directors. Where any option granted to a substantial shareholder or an independent non-executive Director of our Company, or any of their respective associates, would result in the Shares issued or to be issued upon exercise of all options already granted and to be granted to such person in the 12 month period, (i) representing in aggregate over 0.1% of the Shares in issue on the date of such grant; and (ii) having an aggregate value, based on the closing price of the Shares, in excess of HK$5 million, such grant of options shall be subject to prior approval by resolutions of the Shareholders (voting by way of poll).

An offer of the grant of an option under the Scheme shall remain open for acceptance for 15 days from the date of grant. Upon acceptance of such grant, the grantee shall pay HK$1 to the Company as consideration. Options may be exercised in accordance with the terms of the Scheme at any time from the date of grant until the expiry of 6 years from such date. The subscription price shall be determined by the Board in its absolute discretion, and in any event shall not be less than the higher of (i) the closing price of Shares as stated in the Stock Exchange's daily quotations on the date of grant of that option, which must be a business day; (ii) the average closing price of Shares as stated in the Stock Exchange's daily quotations for the five business days immediately preceding the date of grant of that option; and (iii) the nominal value of the Shares.

As at the date of this report, the total number of Shares available for issue under the Scheme is 456,290,191 Shares, representing 10% of the total number of Shares in issue immediately following completion of the Global Offering and 9.80% as at the date of this announcement. For the six months ended 30 June 2013, no share option has been granted or agreed to be granted to any person or exercised by any person under the Scheme.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

The Company is empowered by the applicable laws of the Cayman Islands and its articles of association to repurchase its own shares subject to certain restrictions and the Board may only exercise this power on behalf of the Company subject to any applicable requirements imposed from time to time by the Stock Exchange. There was no purchase, sale or redemption by the Company or any of its subsidiaries, of the Company's listed shares during the period from the Listing Date to 30 June 2013.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This results announcement is published on the website of the Stock Exchange (www.hkex.com.hk) and the Company (www.wz-china.com). The interim report of the Company for the six months ended 30 June 2013 containing all the information required by the Listing Rules will be dispatched to the Company's shareholders and published on the above websites in due course.

By order of the Board
Wuzhou International Holdings Limited
Shu Cecheng
Chairman

Hong Kong, 20 August 2013

As at the date of this announcement, the executive Directors of the Company are Mr. Shu Cecheng, Mr. Shu Cewan, Mr. Shu Ceyuan, Ms. Wu Xiaowu and Mr. Zhao Lidong; and the independent non-executive Directors of the Company are Dr. Song Ming, Mr. Lo Kwong Shun Wilson and Prof. Shu Guoying.